

CPYRIGHT

By J. Emlyn Williams

Central European Correspondent of The Christian Science Monitor

Bonn, Germany

West Germany, faced with ever increasing coal surpluses, will attempt to solve this problem by a restrictive import duty on coal from abroad—except from countries within the European Common Market.

This duty will amount to 20 marks (nearly \$5) a ton. But the severity of this new measure is somewhat mitigated by an accompanying announcement that some 4,250,000 tons of foreign coal will be allowed to enter this country duty free.

The United States will be among the hardest hit by this new development, which is to operate from Feb. 16 until the end of 1959. The West German Parliament must first approve it, but it is generally assumed it will do so after the coal debate Jan. 29.

The (West) German Federal Republic in various trade agreements, has committed itself to take 18,000,000 tons of coal from the United States, 411,000 tons from Britain, 250,000 tons from Poland, 18,000 from the Soviet Union, and 12,000 from Czechoslovakia. Contracts for the present year run to about 13,000,000 tons.

Policy Altered

New quotas are based upon an average of 50 per cent of imports of coal from these different countries over the period from 1950 to 1958. The United States now will be allowed to import free coal to the amount of 3,500,000 tons, and Britain 400,000 tons during the remainder of this year.

These new restrictions are a definite departure from the policy of "Marktwirtschaft," a free economy so much stressed by Prof. Ludwig Erhard, West German Minister of Economics. Opponents of such a policy maintain this move is a defeat for him. Others say that it is the exception which proves the rule and that it is unavoidable in the emergency existing in Ruhr coal mines for the months past.

Discussions Held

Today anyone traveling through Germany's greatest coal field sees everywhere stacks and stacks of unsold coal. In fact there are 13,500,000 tons of it. And there is no way of selling them profitably under existing conditions. The Federal Republic's coal output for 1958, though less than for the previous year, amounted to 132,000,000 tons of hard coal and 90,000,000 tons of soft coal. This obviously exceeded the demands of industry and home consumption.

The West German coal industry, like that in Britain and other European countries has

been long faced with serious problems. It is assumed that elimination of existing surpluses will be made possible by restrictions on foreign coal. But this could not be done without prior talks with those foreign interests with which binding contracts have been made. Therefore the step now announced follows long discussions with United States coal interests, between United States and Federal Republic diplomatic representatives, etc.

Among short-term explanations for the coal situation here are mild weather both last winter and this, increased use of oil in industry and homes. Nothing could be done about the weather, but there have been attempts to reach an understanding between coal and oil interests. Protracted negotiations are still continuing, but no agreement has been reached yet on average prices for coal and oil.

The move toward restricting imports of coal under existing conditions is strongly supported by both sides in the coal industry. According to some comments, increasing pressure upon the government from the miners' trade union and Social Democrats influenced the decision.

Profit Squeeze Faced

This new move does not solve all the Ruhr coal industry's problems. Another is unprofitable pits. Experts estimate there are about 36 of these in different parts of the Ruhr-Rhine area which must be closed down. But because of social consequences, the miners' trade union hitherto opposed such a measure.

Miners held a large demonstration Jan. 25 with 70,000 attending at Bochum. They demanded a five-day week. "An economic Stalingrad on the Rhine and the Ruhr can only be prevented by introduction of a five-day week with full pay adjustment," declared their chairman, Heinrich Gutermuth, midst loud applause.

The present move to a prohibitive import duty is considered by economic commentators here dangerous for a country which is so largely dependent on cheap imports of raw materials and exports of finished goods. Also the return to international emergency clauses in agreements must appear very strange abroad from a country with such strong foreign exchange reserves as the Federal Republic's.

First reports from abroad also indicate strong reactions. For example, the High Authority of the European Coal and Steel Community in Luxembourg feels itself overridden since such a measure should follow, not precede, a recommendation from that authority. Some American protests are also noted.

West Germans Act To Ease Coal Glut

CSM 1/27